

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of Washington by:

ROBIN LYNN SELLS and SKI-FREE  
WATERSPORTS DEVELOPMENT, INC.  
Respondents

S-98-033-03-TO02

SUMMARY ORDER TO CEASE AND DESIST AND  
NOTICE OF INTENT TO IMPOSE A FINE

Case No. S-98-033

THE STATE OF WASHINGTON TO:

Robin Lynn Sells  
Ski-Free Watersports Development, Inc.

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Robin Lynn Sells and Ski-Free Watersports Development, Inc., have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations and under RCW 21.20.395 to impose a fine. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

**FINDINGS OF FACT**

**I. Respondents**

1. Ski-Free Watersports Development, Inc. ("Ski-Free Development") is a Washington corporation that was incorporated on February 12, 1999. Ski-Free Development supposedly has the right to manufacture and sell a self-propelled water-ski device that allows a person to water-ski without assistance from others.

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1 2. Robin Lynn Sells (“Sells”) has held himself out as president of Ski-Free Development. At all times  
2 material to this order, Sells was a Washington resident.

### 3 **II. Prior Statement of Charges**

4 On October 9, 2000, the Securities Administrator of the State of Washington issued SDO-91-00, a  
5 Statement of Charges and Notice of Intention to Enter Order to Cease and Desist (“Statement of Charges”)  
6 against Ski-Free Watersports, Inc.; Solo Watersports, Inc.; and Robin Lynn Sells. The Statement of Charges  
7 gave notice that the respondents had each violated RCW 21.20.010, the anti-fraud provisions of the Securities  
8 Act of Washington. The Statement of Charges was served on October 19, 2000.

9 On October 26, 2000, the respondents submitted an application requesting an administrative hearing on the  
10 Statement of Charges. Subsequently, through counsel, it was agreed that no hearing date would be scheduled  
11 until requested by the parties and no scheduling request has ever been made. The Securities Administrator  
12 hereby incorporates the Tentative Findings of Fact and Conclusions of Law set forth in the prior Statement of  
13 Charges.

### 14 **III. Sells’s Continued Offering of Stock**

15 After receiving the Statement of Charges, Sells continued to offer and sell stock and convertible  
16 debentures. In January 2001, Sells sold at least \$25,000 worth of Ski-Free Development stock to at least one  
17 investor at an offering price of \$1.00 per share. The Securities Division’s investigation shows that at least three  
18 other investors bought stock or convertible debentures after the Statement of Charges was entered.

### 19 **IV. Failure to Disclose Material Information**

20 When offering and selling Ski-Free Development stock, Sells failed to disclose material information.  
21 Sells failed to specify the intended use of investor funds. Sells failed to provide any financial statements for Ski-  
22 Free Development. Sells failed to disclose the risks of the investment, including the history of efforts to develop  
23 and market the product; inadequate capitalization; incomplete product testing; competing claims to the intellectual  
24 property; inadequate protection of the intellectual property; dependence on a few key personnel; and Sells’s

1 business and financial background. Sells failed to disclose the relationship of Ski-Free Development to Ski-Free  
2 Watersports, Inc. and Solo Watersports, Inc. Sells failed to disclose that he was subject to a pending Statement of  
3 Charges for his alleged violations of the Securities Act of Washington.

#### 4 **V. Threat to the Investing Public**

5 The Securities Administrator finds that the continued offering of securities in the manner described in the  
6 Tentative Findings of Fact presents a threat to the investing public.

7 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

#### 8 **CONCLUSIONS OF LAW**

##### 9 **I.**

10 The offer and sale of Ski-Free Development stock as set forth in the Tentative Findings of Fact constitutes  
11 the offer and sale of a security as defined in RCW 21.20.005 (10) and (12).

##### 12 **II.**

13 The offer and sale of said securities was made in violation of RCW 21.20.010 because, as set forth in the  
14 Tentative Findings of Fact, Respondents omitted to state material facts necessary in order to make the  
15 statements made, in light of the circumstances under which they were made, not misleading.

##### 16 **III.**

17 The Securities Administrator finds and concludes that an emergency exists, that the continued violations of  
18 RCW 21.20.010 constitute a threat to the investing public, and that a summary order to cease and desist from those  
19 violations is in the public interest and necessary for the protection of the investing public.

#### 20 **SUMMARY ORDER**

21 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That Robin Lynn Sells and Ski-Free  
22 Watersports Development, Inc. shall each cease and desist from offering or selling securities in any manner in  
23 violation of RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

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**NOTICE OF INTENT TO IMPOSE FINES**

Based upon the allegations described in the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that there have been knowing or reckless violations of the Securities Act of Washington that justify the imposition of fines pursuant RCW 21.20.395. Therefore, the Securities Administrator intends to order Robin Lynn Sells to pay a fine of \$5,000.

**AUTHORITY AND PROCEDURE**

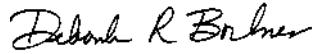
This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and is subject to the provisions of Chapter 34.05 RCW. The respondents, Robin Lynn Sells and Ski-Free Watersports Development, Inc., may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If a respondent fails to make a timely hearing request, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

If Robin Lynn Sells fails to make a timely hearing request, the Securities Administrator may enter a final order imposing a \$5,000 fine, file a certified copy of the order in superior court and proceed to enforce the order as a judgment against Robin Lynn Sells and collect the fine.

**WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

DATED this 13 day of June, 2003

  
DEBORAH R. BORTNER  
Securities Administrator

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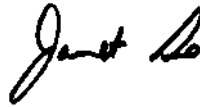
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Approved by:



Michael E. Stevenson  
Chief of Enforcement

Presented by:



Janet So  
Senior Financial Legal Examiner

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